Saskatchewan
Finance

Annual Report 2003-2004

Public Service Superannuation Board

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Saskatchewan
Finance

Her, Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the seventy-seventh Annual Report of the Public Service Superannuation Board, together with the financial statements, for the fiscal year ending March 31, 2004, pursuant to the provisions of Section 69 of *The Public Service Superannuation Act*.

I have the honour to be, Madam,

Your obedient servant,

Harry Van Mulligen
Minister in Charge
Public Service Superannuation Board

Saskatchewan
Public Employees
Benefits Agency

The Honourable Harry Van Mulligen
Minister in Charge
Public Service Superannuation Board
Regina, Saskatchewan

Sir:

Letter of Transmittal

On behalf of the Public Service Superannuation Board, I have the honour to present herewith the seventy-seventh Annual Report of the Public Service Superanhuation Board for the fiscal year ended March 31, 2004.

Respectfully submitted,

Brian Smith
Executive Director

The Public Service Superannuation Board
The Public Service Superannuation Plan

Introduction

The primary purpose of the Board is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The Plan also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent to retirement.

The Plan is governed by *The Public Service Superannuation Act*, which came into being on May 1, 1927. The Act also governs employees of The Anti-Tuberculosis League and the Saskatchewan Transportation Company.

The Plan was closed to new members as of October 1, 1977, so the Plan is considered a mature plan with the amount of benefit payments increasing each year.

Public Service Superannuation Board

Brian Smith	Chairman
Cheryl Hanson	Member
Carolyn Salloum	Member

Operation of the Plan

The Plan is a Defined Benefit pension plan, which provides a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the Plan make contributions at a rate of 7%, 8% or 9%, depending on their age when they entered the plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

Any deficiencies in the Plan are paid out of the General Revenue Fund and are the responsibility of the Government of Saskatchewan. For the most part the Plan is unfunded, although some monies are held in the Saskatchewan Transportation Company Employees Superannuation Fund.

The following table below shows the number of active and retired employees in the Plan as of the current and prior year-ends.

	March 31, 2004			March 31, 2003		
	PSSP	**Anti-TB**	**STC**	**PSSP**	**Anti-TB**	**STC**
Active Employees	1,755	2	23	1,902	2	27
Inactive Members	136	2	6	133	2	6
Retired Employees *	5,782	87	123	5,803	96	123
Totals	**7,673**	**91**	**152**	**7,838**	**100**	**156**

*Includes Superannuates, plus their dependents that are now in receipt of a survivor pension.

Benefit Payments

During the plan year, benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

The attached tables show all employees (including STC and Anti-TB) who retired during the year, split into various categories as to type of retirement and/or employees who terminated and elected retirement at a future date or died during the year.

Contributions to the Plan

In accordance with the contribution schedules outlined above, employee contributions to the Plan during the year totaled $5,099,000. This compares to $5,541,000 as of the previous fiscal year end. In addition, a small amount of employer contributions were made to the Plan during the year, totaling $1,080,000.

Table Summary

		March 31, 2004	March 31, 2003
Table 1	Attained Age 65	13	13
Table 2	Attained Age 60 – with reduction	-	-
Table 3	Attained Age 60 – no reduction	33	37
Table 4	Attained 35 years of Service	76	64
Table 5	Age 55 and 30 years service – reduced pension	14	9
Table 6	Ill Health Pensions	1	-
Table 7	Granted Deferred Allowance	-	1
Table 8	Deferred Allowances now Payable	8	6
Table 9	Early Retirement Allowances	-	18
Table 10	Deceased Employees	10	9
	Totals	**155**	**157**

The following summaries show the total number of death benefits paid on behalf of superannuates who died during the year and benefits upon termination of employment other than retirement.

Death Benefit Summary

	March 31, 2004	March 31, 2003
Superannuate Survivor Pension	74	89
Superannuate Cash Benefit	2	2
Totals	**76**	**91**

Termination of Employment Summary

	March 31, 2004	March 31, 2003
Cancel Deferred	1	3
Reciprocal Transfers	1	1
Totals	**2**	**4**

Investment Performance

The Minister of Finance is responsible for holding in trust and investing the monies in the Saskatchewan Transportation Company Employees Superannuation Fund (Fund). The Minister has delegated these responsibilities to the Public Service Superannuation Board, who in turn have retained the services of Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performances set out by the Board in their Statement of Investment Policies and Goals for the Fund. It is against these long-term investment performance objectives that the Board assesses the performance of the investment manager.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed.

Asset Class	Market Index	Weight
Canadian	S&P/TSX Composite CPMS CAP 10 Index	15%
US	S&P 500 US Stock Index	10%
Non-North American	MSCI EAFE Index	10%
Fixed Income Bonds	SC Universe Bond Index	60%
Short-Term Investments	91 Day Canadian Treasury Bill	5%
Total		**100%**

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period. The performance history of the Fund as of March 31, 2004 has been:

	1-Year Return	Rolling 4 Year Average
Fund's Return	17.3%	5.6%
Benchmark Return	18.0%	3.8%

Cash Flow Forecast

The total cash inflow is the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts that are required to pay all pension obligations. Forecast of cash flows have been determined using the long term assumptions as follows:

Factor	Current Year Assumptions	Prior Year Assumptions
Salary Escalation	4.00%	4.00%
Inflation	3.00%	3.00%
Interest Rate	6.25%	6.25%

The actuarial valuations prepared by Eckler Partners Ltd. also take into consideration mortality under the Plan, which is reflected in the Net Cash Flow Forecasts. For the current valuation the mortality tables have been updated and reflect the most recent mortality studies (Mortality Table GAM94)

Year	Net Cash Outflows (000's)		
	PSSP	Anti-TB	STC
2004-2005	$94,969	$604	$2,124
2005-2006	$98,804	$579	$2,123
2006-2007	$102,466	$562	$2,099
2007-2008	$106,533	$552	$2,116
2008-2009	$111,837	$529	$2,142
Total next 5 Years	$514,609	$2,826	$10,604
Total 5-10 Years	$660,883	$2,123	$10,830
Total 11-30 Years	$2,151,105	$2,672	$28,478

Administration

The Board, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of the Public Service Superannuation Act.

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. Administration of the Public Service Superannuation Plan is carried out by PEBA.

Changes to administrative processes will continue to be evaluated with the intent of identifying opportunities for improving customer service and becoming more responsive to the needs of the Board and the membership.

During this past fiscal year, PEBA saw an increase/decrease in work volumes in the following areas:

	Increase/Decrease %	
Function	**2003/04**	**2002/03**
Retirements	-15%	263%
Age 65 Reductions	-13%	-2%
Terminations	-48%	-21%
Deaths of Employees	-9%	60%
Death of Superannuates	14%	68%
Breakdown of Spousal Relationships	-52%	-13%

TABLES

TABLE 1

Employees Retired Having Attained the Age of Retirement - Age 65

Name	Position	Last Monthly Salary	Age
AKRE, Kenneth	Apprentice Consultant	5,214.37	65
BAST, Kenneth	Instructor	4,505.18	65
DAHL, Inez	Housekeeping Aide	2,010.51	65
GRACIE, Andrew	Management Level 6	6,092.00	65
HUDSON, Muriel	Therapist Level 5	3,125.00	65
LOPETER, Wayne	Equipment Operator Level 3	16.79/hr	65
LOWES, Alan	Drafts Person Level 5	4,701.74	65
MERCIER, Joseph	Pasture Manager	20.76/hr	65
REABURN, Vernon	Corrections Level 8	3,917.42	65
SARAFINCEAN, Mike	Equipment Operator Level 5	3,109.82	65
SIEMENS, Lloyd	Management	5,025.88	65
TATARYN, Russell	Social Worker Level 3	4,799.46	65
ZABLOCKI, Rose	Document Processor Level 5	2,998.80	65

TABLE 2

Employees Retired at Their Option After Age 60 - With Reduction

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 3

Employees Retired at Their Option After Age 60 - No Reduction

Name	Position	Last Monthly Salary	Age
ANDERSEN, Nels	Instructor	4,504.00	60
ARNOLD, Beverly	Accounting Clerk Level 5	3,194.95	61
AUSLAND, Darlene	Park Maintenance Level 3	12,801.75/yr	60
BODNAR, Michael	Instructor	4,246.81	60
BURNS, Norman	Research Policy Level 9	7,186.29	62
CANN, Corrie	Secretarial Level 1	2,430.00	60
EPP, Bruno	Management Level 6	5,483.00	63

Employees Retired at Their Option After Age 60 - No Reduction (Continued)

Name	Position	Last Monthly Salary	Age
FISHER, Georgina	Family Support Level 10	3,690.63	60
FLEMING, Joseph	Corrections Worker Level 8	3,917.42	62
FOLEY, Isabel	Secretarial Level 4	2,776.65	62
GAUDRY, Joseph	Photo Interpreter	3,627.35	60
GILLIES, Dennis	Instructor	4,704.01	61
HUBENIG, Alice	Accounting Clerk Level 6	3,238.71	60
KRYZANOWSKI, Felix	Mgmt. Consultant Level 12	5,404.95	63
MARKOWSKI, Paulina	Park Maintenance Level 3	16.79/hr	60
McKENZIE, Judith	Clerk Level 5	2,686.00	60
McLEOD, Stanley	Corrections Worker Level 9	4,309.24	64
PANDER, Patrick	Motor Coach Operator	68.46¢/mi	60
PHANEUF, Edward	Sup. Journey Level 9	4,309.24	60
QUIRK, E.D. James	Corrections Level 9	4,309.24	60
RIES, Leonard	Instructor	5,348.98	61
RING, Carole	Management Level 4	4,908.00	60
SCHELL, Clements	Equipment Operator	3,109.82	60
SCHUSTER, Donald	Management Level 8	6,551.00	61
SINCLAIR, Alan	Driver Examiner Level 2	3,814.00	60
STOCKHAM, David	Director-In Patient	6,898.61	60
TANZELL, Kenneth	Equipment Operator Level 5	3,109.82	60
THOMAS, Douglas	Management Level 6	5,724.00	61
THOMAS, Ronald	Mgmt. Consultant Level 7	4,890.34	60
TOPPING, Alfred	Customer Service Co-ordinator	18.27/hr	60
WEIGHILL, Bruce	Instructor	3,561.00	60
WELLS, Keith	Motor Coach Operator	68.46¢/mi	61
WICKSTROM, Barbara	Instructor	3,748.00	60

TABLE 4

Employees Retired at Their Option With 35 Years Service

Name	Position	Last Monthly Salary	Age
ADAM, Stewart	Agrologist Level 10	4,740.21	59
ANDERSON, William	Storekeeper	3,196.01	55
ANDRUSIAK, Julian	Equipment Operator	2,624.14	59
BARBER, Donald	Management Level 8	6,715.00	60
BEAR, Floyd	Photo Interpreter Level 7	3,582.22	54
BETSON, George	Management Level 5	5,301.00	54

Employees Retired at Their Option With 35 Years Service (Continued)

Name	Position	Last Monthly Salary	Age
BOYLE, Wendy	Secretary Level 5	2,998.80	55
BURNETT, Elaine	Research Policy Level 12	6,275.10	55
BUTZ, Glenn	Engineering Assistant Level 6	3,358.64	55
CAIRNS, R. Bruce	Management. Level 4	4,908.00	55
CARD, Reg W.	Management Level 6	6,551.00	59
CARDINAL, Eric	Accounting Clerk Level 4	2,857.92	54
CHOPIK, Gloria	Accounting Clerk Level 4	2,776.65	54
CLARK, Richard	Senior Project Engineer Level 5	5,783.00	58
COHEN, Jennifer	Professional Level 7	6,275.00	60
CROOK, Terry	Research Policy Level 2	5,433.63	56
CUMMINGS, Marie	SG Level 6	3,816.00	53
DUCHSCHERER, Wayne	Community Service Worker	3,937.00	55
DUTCHYSHEN, Janet	Registered Nurse	4,622.34	61
FENNUK, Elaine	Support Group 4	3,208.00	54
FERGUSON, Marilyn	Social Service Program Worker 1	3,937.00	53
FERGUSON, R. Terry	Store Clerk Level 6	3,358.64	55
FISHER, Gerald	Manager Level 4	4,908.00	55
FRIESEN, Blake	Instructor	5,001.00	57
GRAD, Alvina	Clerk Steno 3	2,641.85	61
GRAD, Jack	GPA Pasture Level 5	19.23/hr	64
HAGBERG, Stanley	Engineering Assistant Level 8	3,917.42	55
HARDOWA, Sharon	Store Clerk Level 1	2,434.00	58
HART, Ronald	Management Level 9	7,018.08	57
HAYWARD, Ethel	Accounting Clerk Level 4	2,900.79	57
HENDERSON, Winston	Motor Coach Operator	68.46¢/mi	62
HNATIUK, Garfield	Senior Technician Class II	4,930.00	60
HUBER, Allan	Engineering Assistant Level 7	3,497.82	55
JONES, Henry	Project Manager Level 4	5,295.00	54
KILDAW, Karin	Director of Rehabilitation	5,793.78	61
KING, C. Garth	Research Policy Level 13	6,309.27	56
KOBIALKO, Albert	Engineering Assistant Level 7	3,627.35	55
KOCH, Barbara	Business Analyst Level 7	3,497.82	54
KRIP, Ernest	Engineering Assistant Level 7	3,627.35	55
KUDEL, Terrance	Management Level 6	5,943.00	60
LOSIE, Denis	Management Level 7	6,275.00	57
MacDONALD, William	Engineer Technician. Level 2	2,608.00	60
MacKAY, Patricia	Library Technician Level 9	4,155.36	63
MARK, Lin	Agrologist Level 2	4,902.00	61
MASICH, John	Senior Engineer Level 5	5,783.00	63
McCLELLAND, Gary	Office Manager Level 8	5,030.85	55
MENZIES, David	Equipment Operator Level 5	3,109.32	55

Employees Retired at Their Option With 35 Years Service (Continued)

Name	Position	Last Monthly Salary	Age
NICHOLSON, Fred	Management Level 5	6,275.00	56
OBOROWSKY, Wendlin	Driver	2,553.00	58
OCHITWA, Zane	Management Level 5	5,301.00	60
PALASCHUK, John	Management Level 8	6,461.00	59
PAQUIN, J.R. Denis	Management Level 4	4,908.00	56
PAWLUS, Steve	Engineer Technician Level 6	3,937.64	60
PETERSON, Douglas	Corrections Worker Level 10	4,740.00	57
PIETRAS, Christina	Registered Practical Nurse	4,620.28	57
QUAN, Norma	Aware./Prevent Education Level 9	4,309.24	60
RAHM, Donald	I.S. Worker Level 1	5,793.78	57
REMEZOFF, Harold	Tax Auditor Level 9	4,329.89	58
RING, Larry	Audiometric Technician	3,332.31	55
SCHAFER, Dolores	Secretarial Level 5	3,238.71	53
SCHMALTZ, Jeanine	Public Health Nurse	4,930.46	63
SCHWAN, Diana	Accountant Level 8	5,030.85	54
SHEPPARD, Mary	Special Care Aide	2,493.00	56
SHUKIN, Paul	Manager Level 8	6,551.00	60
SPOTT, Sharon	Corrections School Teacher	3,695.78	57
STICKLAND, Thomas	Management. Level 8	6,551.00	55
STOVIN, Kenneth	Petroleum Development Level 8	4,321.00	64
THOMPSON, Howard	Director, Finance	4,817.00	53
TILLMANNS, Ralph	Municipal Administrator Advisor	5,867.14	58
TITUS, Boris	Management Level 10	7,691.00	61
TOMYN, Glenn	Instructor	4,798.00	59
UNTERINER, David	Investigator Level 8	3,917.42	57
WALKER, Darryl	Store Clerk Level 1	2,434.00	55
WATKINS, Larry	Land Examiner Level 8	3,777.54	55
WORK, Lavern	Engineering Assistant Level 10	4,740.21	59
ZESS, Jack	Professional Level 3	5,429.00	58

TABLE 5

Employees Retired After Age 55 with Minimum 30 Years Service – Reduced

Name	Position	Last Monthly Salary	Age
DELORME, Leona	Secretarial Level 4	2,776.65	59
EMPEY, Albert	Instructor	5,148.00	58
FLAMAN, Murray	Equipment Operator Level 8	3,917.42	57

Employees Retired After Age 55 with Minimum 30 Years Service – Reduced (Continued)

Name	Position	Last Monthly Salary	Age
HAWES, Rick	Community Planner Level 10	3,907.17	59
KACH, Ronald	Document Processor Level 7	3,497.82	56
LOUCKS, Marilyn	Investigator Level 6	3,358.64	59
McKEE, Darlene	Photo Interpreter Level 7	3,627.35	57
POLLOCK, Ronald	Management Level 10	7,691.00	58
REIDER, Mervyn	Tech Dist Operator Level 7	3,938.57	57
ROBSON, Diane	Director of Cancer Registry	5,968.00	56
SAVAGE, Donald	Instructor	5,000.99	59
SEED, Judy	Document Processor Level 7	3,497.82	55
SHOPA, Fred	Heavy Equipment Maint. Level 8	3,917.42	55
ZALES, Paula	Registered Psych. Nurse	4,622.34	58

TABLE 6

Employees Retired on Grounds of Ill Health

Name	Position	Last Monthly Salary	Age
GRAHAM, Greig	Public Health Inspector Level 2	3,564.71	51

TABLE 7

Employees Granted Deferred Allowances

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 8

Employees Granted Deferred Allowances – Now Payable

Name	Position	Last Monthly Salary	Age
GLASS, Robert	Personal Administrator Level 3	2,149.00	61
KLEPP, Donald	Instructor	4,371.00	60
McKENZIE, Judith	Clerk Level 5	2,686.00	60
PATERSON, John	Executive Director	8,390.00	59
PRODANUK, Faith	Instructor	4,270.00	60
SCHALM, Philip	Management Level 11	6,011.00	60
SEIB, Vivian	Pastoral Care/Volunteer Co-ord.	2,347.00	60
TOURNEY, Donald	Management Level 6	5,465.00	60

TABLE 9

Employees Granted an Early Retirement Allowance

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 10

Deceased Employees

Name	Position	Last Monthly Salary	Age
ANDERSEN, William	Technologist Level 7	3,943.00	56
CHEN, Marilyn	Business Analyst Level 10	5,433.63	50
DUNCAN, Allen	Management Level 7	5,357.00	59
JANZEN, John	Management Level 11	8,027.00	60
KNECHT, Peter	Management Level 9	7,202.00	55
NICHOL, Vernon	Resource Maintenance Supervisor	3,359.00	58
NICKOLSON, Don	Pasture Manager Level 5	19.22/hr	56
RUSSELL, Norris	Journeyman Welder Level 8	3,917.42	59
THOMSON, Lynda	Supervisor Level 11	4,301.00	53
WOJTOWICZ, Ed	Custody Support Worker Level 8	3,821.81	58

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of funds and managing of assets.

The financial statements, which follow have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Plan.

The accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best judgement in order that the financial statements reflect fairly the financial position of the Plan.

The financial statements have been audited by the Provincial Auditor whose report follows:

Brian Smith
Executive Director
Public Employees Benefits Agency

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Kathy Morgan
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
April 30, 2004

ACTUARIES' OPINION

Eckler Partners Ltd. was retained by the Public Service Superannuation Board (the Board) to perform actuarial valuations of the accrued pension benefits of the Public Service Superannuation Plan, including the Public Service Superannuation Fund, the Anti-Tuberculosis League Employees Superannuation Fund, and the Saskatchewan Transportation Company Employees Superannuation Fund (the Plan) on an accounting basis as at December 31, 2002. Eckler Partners Ltd. was further retained to extrapolate these results to March 31, 2003 and March 31, 2004.

The valuation and extrapolations of the Plan's actuarial accrued pension benefits were based on:

- Membership data provided by the Board as at December 31, 2002;
- Asset data for Anti-Tuberculosis League Employees Superannuation Fund and Saskatchewan Transportation Company Employees Superannuation Fund provided by the Board as at March 31, 2003 and March 31, 2004;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Eckler Partners Ltd. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate accrued pension benefits for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data are sufficient and reliable for the purposes of the valuations and the extrapolations. We also believe that the methods employed in the valuations and extrapolations and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuations and extrapolations have been performed in accordance with accepted actuarial practice.

John Corp

John Corp, FIA, FCIA
Eckler Partners Ltd.

April 30, 2004

PUBLIC SERVICE SUPERANNUATION BOARD

PUBLIC SERVICE SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits, accrued pension benefits and unfunded liability of the Public Service Superannuation Plan as at March 31, 2004 and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and unfunded liability of the Plan as at March 31, 2004 and the changes in net assets available for benefits and accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
April 30, 2004

Fred Wendel, CMA, CA
Provincial Auditor

PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS AND UNFUNDED LIABILITY

STATEMENT 1

AS AT MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2004	2003	2004	2003	2004	2003	2004	2003
ASSETS								
INVESTMENTS: (Note 3)								
Pooled funds	$ -	$ -	$17,511	$16,752	$ -	$ -	$ 17,511	$ 16,752
RECEIVABLES:								
Due from General Revenue Fund (Note 5)	3	10	9	7	288	-	300	17
Employees' contributions (Note 6)	-	-	2	3	120	176	122	179
Employers' contributions (Note 6)	-	-	2	3	46	54	48	57
Other receivables	-	-	1	-	1	19	2	19
Total assets	3	10	17,525	16,765	455	249	17,983	17,024
LIABILITIES								
Deficiency contribution payable to GRF (Note 6)	-	-	-	-	-	193	-	193
Administrative expense payable	2	5	6	14	-	-	8	19
Other payables	-	-	-	-	455	56	455	56
Total liabilities	2	5	6	14	455	249	463	268
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	1	5	17,519	16,751	-	-	17,520	16,756
Accrued pension benefits (Statement 3)	4,791	5,169	26,001	26,461	1,578,853	1,579,392	1,609,645	1,611,022
Unfunded liability	$4,790	$5,164	$ 8,482	$ 9,710	$1,578,853	$1,579,392	$1,592,125	$1,594,266

(See accompanying notes to the financial statements)

PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 2

YEAR ENDED MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2004	2003	2004	2003	2004	2003	2004	2003
INCREASE IN ASSETS:								
Investment income								
Distributions-Pooled Funds	$ -	$ -	$ 781	$ 873	$ -	$ -	$ 781	$ 873
Other	-	1	-	1	-	-	-	2
	-	1	781	874	-	-	781	875
Market value adjustment (Note 2)	-	-	1,984	(1,654)	-	-	1,984	(1,654)
Contributions (Note 6)								
Employees'	2	3	56	74	5,041	5,464	5,099	5,541
Employers'	2	3	56	74	1,022	871	1,080	948
	4	6	112	148	6,063	6,335	6,179	6,489
Deficiency contribution from General Revenue Fund (Note 6)	622	671	-	-	92,255	87,830	92,877	88,501
Total increase in assets	626	678	2,877	(632)	98,318	94,165	101,821	94,211
DECREASE IN ASSETS:								
Administration expense (Note 7)	8	20	45	59	-	-	53	79
Superannuation allowances	622	668	2,064	1,952	96,936	92,492	99,622	95,112
Refunds and transfers								
Contributions	-	-	-	72	398	536	398	608
Interest	-	-	-	89	636	814	636	903
Equity on death	-	-	-	161	17	136	17	297
Marital breakdown	-	-	-	-	-	111	-	111
Employer matching on reciprocal transfer	-	-	-	-	331	76	331	76
Total decrease in assets	630	688	2,109	2,333	98,318	94,165	101,057	97,186
Net (decrease) increase in assets	(4)	(10)	768	(2,965)	-	-	764	(2,975)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	5	15	16,751	19,716	-	-	16,756	19,731
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR - to Statement 1	$ 1	$ 5	$17,519	$16,751	$ -	$ -	$17,520	$16,756

(See accompanying notes to the financial statements)

PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

STATEMENT 3

YEAR ENDED MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2004	2003	2004	2003	2004	2003	2004 (Note 4)	2003
ACCRUED PENSION BENEFITS, beginning of year	$5,169	$5,579	$26,461	$28,479	$1,579,392	$1,524,536	$1,611,022	$1,558,594
INCREASE IN ACCRUED PENSION BENEFITS								
Change in actuarial assumptions	-	-	-	-	-	10,079	-	10,079
Plan amendment	-	-	-	22	-	2,422	-	2,444
Experience loss	-	-	-	-	-	24,345	-	24,345
Interest on accrued pension benefits	304	328	1,595	1,717	96,203	92,942	98,102	94,987
Benefits accrued	6	9	194	226	18,025	19,233	18,225	19,468
	310	337	1,789	1,965	114,228	149,021	116,327	151,323
DECREASE IN ACCRUED PENSION BENEFITS								
Benefits paid	622	668	2,064	2,274	98,318	94,165	101,004	97,107
Experience gain	66	67	185	1,706	16,449	-	16,700	1,773
Change in actuarial assumptions	-	12	-	3	-	-	-	15
	688	747	2,249	3,983	114,767	94,165	117,704	98,895
ACCRUED PENSION BENEFITS, end of year – to Statement 1	$4,791	$5,169	$26,001	$26,461	$1,578,853	$1,579,392	$1,609,645	$1,611,022

(See accompanying notes to the financial statements)

PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2004

1. Description of the Plan

a) General

The Public Service Superannuation Board (Board) administers the funds that make up the Public Service Superannuation Plan (Plan). Day-to-day administration is provided by the Public Employees Benefits Agency (PEBA).

The Plan is a defined benefit final average pension plan. Plan details are contained in *The Public Service Superannuation Act* and *The Superannuation (Supplementary Provisions) Act*. The three main components of the Plan are described as follows:

i) Anti-Tuberculosis League Employees Superannuation Fund

The Anti-Tuberculosis League Employees Superannuation Fund (AntiTB Fund) was established under provisions of an amendment to *The Public Service Superannuation Act*, effective April 1, 1979. The AntiTB Fund accumulates contributions paid by employees of the Saskatchewan Anti-Tuberculosis League and any investment income.

ii) Saskatchewan Transportation Company Employees Superannuation Fund

The Saskatchewan Transportation Company Employees Superannuation Fund (STC Fund) was established by an amendment to *The Public Service Superannuation Act*, effective April 1, 1981. The STC Fund accumulates contributions paid by employees of the Saskatchewan Transportation Company as of March 31, 1981 and any investment income.

iii) Public Service Superannuation Fund

Members of the Public Service Superannuation Fund (PSSF) include those public service employees who were employed prior to October 1, 1977 and did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions.

Certain employers are required to match employees' contributions in respect of current service.

c) Retirement

Normal retirement is at age 65. Members may retire earlier under certain conditions.

d) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Investments

Pooled funds are recorded based on the net asset value per unit of the underlying investments on the last valuation date.

The change in the market value of investments during the year is reflected on the financial statements as a market value adjustment.

b) Investment Transactions

Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Distributions are recognized on the record date.

3. Investments - STC Fund

The investment objectives of the Fund are to ensure the Fund has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Fund's liabilities, the Fund takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions and investment returns into pooled funds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. The value of the Fund's assets is affected by short-term changes in nominal interest rates and equity markets. Interest rate risk is managed by investing in a fixed income pooled fund that varies the duration of fixed term securities.

b) Credit Risk

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Fund. The Fund limits the credit risk by dealing with issuers that are considered to be high quality.

c) Foreign Currency Risk

Foreign currency exposure arises from the Fund holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or negative effect on the value of investments. The Fund limits the foreign currency risk by limiting the investment in foreign funds.

d) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Board's policy is to invest

in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies and Goals.

Pooled Funds

Foreign equities including foreign pooled funds are limited to 25% of the cost of the investment portfolio and are denominated in Canadian dollars. The Fund's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The Fund's pooled funds are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
	(000's)				(000's)		(000's)	
Greystone Fixed Income Fund	993	1,018	4.72	6.82	$10,225	$10,130	$1,042	$1,025
Greystone Canadian Equity Fund	143	173	0.64	0.94	2,863	2,658	770	(528)
Greystone Emerging Markets Fund	-	-	-	-	-	-	-	1
Greystone EAFE Plus Fund	177	220	0.14	0.18	1,632	1,501	543	(626)
Greystone US Equity Fund	197	174	4.35	4.26	2,103	1,533	391	(671)
Greystone Money Market Fund	69	93	2.52	1.68	688	930	19	20
					$17,511	$16,752	$2,765	$(779)

4. Obligations for Pension Benefits

An actuarial valuation was performed as at December 31, 2002 and extrapolated to March 31, 2003 and March 31, 2004 by Eckler Partners Ltd. The actuary used the projected benefit method, prorated on services to determine actuarial present value of accrued pension benefits.

The pension liability is based on a number of assumptions about the future events including: salary escalation rate, inflation rate, interest rate, mortality, retirements and terminations. The actual rates may vary significantly from the long-term assumptions used.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

	2004	**2003**
Salary escalation rate	4.00%	4.00%
Inflation rate	3.00%	3.00%
Interest rate	6.25%	6.25%
Mortality table	1994 GAM (without projection)	1994 GAM (without projection)

The following illustrates the effect on the pension liability of changing certain assumptions from the estimated rates of inflation 3.00%, salary escalation 4.00%, interest rate 6.25% and post-retirement indexing 1.5%.

	Long-term Assumptions							
Effect on Liability Assumptions	**Inflation***		**Salary**		**Interest Rate**		**Post-retirement Indexing**	
	4.0%	2.0%	5.0%	3.0%	7.25%	5.25%	2.25%	0.75%
AntiTB (decrease) increase	(2.8%)	3.0%	0.1%	(0.1%)	(5.9%)	6.7%	4.4%	(4.1%)
STC (decrease) increase	(3.9%)	4.2%	0.4%	(0.4%)	(7.8%)	9.4%	5.9%	(5.2%)
PSSF (decrease) increase	(4.8%)	5.2%	1.1%	(1.1%)	(9.9%)	11.9%	7.3%	(6.5%)

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.5%.

The actual present value of accrued pension benefits contains a provision for ad hoc increases which are subject to Lieutenant Governor in Council approval. For ad hoc increases, the Board assumed 50% of CPI based on previous year's experience. The Lieutenant Governor in Council, however, may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions that the Lieutenant Governor considers advisable.

The experience gain is due to no ad hoc increase being granted to pensioners for 2004.

5. Due from General Revenue Fund

The STC Fund and the AntiTB Fund bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Each Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty-day borrowing rate in 2004 was 2.79% (2003 – 2.62%).

6. Deficiency Contribution from the General Revenue Fund

Under Section 40 of *The Public Service Superannuation Act*, all funds received by the Board for the PSSF are recorded as revenue of the General Revenue Fund. No funds are set aside for the payment of future benefits. All allowances and other payments are made out of the General Revenue Fund. The transactions relating to employers' and employees' contributions and allowances and other payments are recorded in these financial statements for accountability purposes only.

Any deficiency of allowances and other payments over employers' and employees' contributions are recorded in the financial statements as a Deficiency Contribution from the General Revenue Fund. The administration costs of the PSSF are borne by the General Revenue Fund (see Note 7).

Subsections 60.1(12) and 60.2(13) of *The Public Service Superannuation Act* states that if there is insufficient money in the STC Fund and the AntiTB Fund to pay allowances or other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

7. Related Party Transactions

a) Administration

i) The annual operating expenditures associated with the administration of the STC Fund and AntiTB Fund are paid to the Public Employees Benefits Agency Revolving Fund except for custodial fees and investment management fees which are paid directly to State Street and Greystone Capital Management Inc., respectively.

	2004 (000's)						2003 (000's)		
	Anti-TB		STC		Total				
	Budget	Actual	Budget	Actual	Budget	Actual	AntiTB	STC	Total
Administration costs	$19	$8	$37	$19	$56	$27	$20	$32	$52
Investment management fees	-	-	-	26	-	26	-	27	27
	$19	$8	$37	$45	$56	$53	$20	$59	$79

ii) Public Service Superannuation Fund (PSSF)

In accordance with subsection 3(3) of *The Public Service Superannuation Act*, all general administrative and employee costs required for the administration of the PSSF are paid out of the General Revenue Fund. Accordingly, no provision for these costs is included in these financial statements. Administration costs for the year were $966,635 (2003 - $1,122,570).

8. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

Due to this short-term maturity, the fair value of these financial instruments approximates their carrying value.

a) Due from General Revenue Fund
b) Employees' contributions receivable, employers' contributions receivable, and other receivables
c) Deficiency contribution payable to GRF, administrative expenses payable and other payables

For investments, fair values are considered to be market value, the calculation of which is described in Note 2.

The pension liability is long-term in nature and there is no market for settling these obligations. Therefore, it is not practicable to determine the fair value of the pension liability with sufficient reliability (see Note 4).

9. Investment Performance - STC Fund

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the Fund in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Fund's investment performance:

	2004	Rolling Four Year Average Annual Return
Fund's actual rate of return (a)	17.3%	5.6%
Target rate of return (b)	18.0%	3.8%

(a) The annual returns are before deducting investment expenses.

(b) The Fund's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 Capped 10% Index, the Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Markets Universe Bond Index.

10. Cash Flow Forecast

The total cash inflows are the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts required to pay all pension obligations. The forecast of

cash inflows and outflows have been determined using the long-term assumptions outlined in Note 4. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts.

The cash required for PSSF is the amount by which the cash outflows exceed cash inflows and is forecast to the end of the year 2033.

Year	Cash Inflows (000's)	Cash Outflows (000's)	Cash Required (000's)
2004-2005	$ 4,871	$ 99,840	$ 94,969
2005-2006	4,546	103,350	98,804
2006-2007	4,215	106,681	102,466
2007-2008	3,842	110,375	106,533
2008-2009	3,332	115,169	111,837
Total within 5 years	$20,806	$ 535,415	$ 514,609
Total 5 - 10 years	$ 6,219	$ 667,102	$ 660,883
Total 11 - 30 years	$ 84	$2,151,189	$2,151,105

The estimated net cash outflows for the AntiTB Fund for the next 5 years is $2.8 million, for the next 10 years $4.9 million and for the next 30 years $7.6 million. The estimated net cash outflows for the STC Fund for the next 5 years is $10.6 million, for the next 10 years $21.4 million, and for the next 30 years $49.9 million. The net cash outflows do not consider future investment income and the redemption of investments.